

Message Text

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PAGE 01 SEOUL 09916 231318Z

ACTION EA-12

INFO OCT-01 ISO-00 EB-08 /021 W

-----091767 231520Z /53

R 230759Z NOV 77

FM AMEMBASSY SEOUL

TO USDOC WASHDC

INFO SECSTATE WASHDC 7744

AMEMBASSY SINGAPORE

AMEMBASSY TOKYO

AMEMBASSY MANILA

AMCONSUL HONG KONG

U S DEPT OF TREASURY

UNCLAS SEOUL 9916

MANIAL FOR USADB

E.O. 11652: N/A

TAGS: BENC, KS

SUBJECT: MAJOR PROJECT - MINERAL RESOURCES DEVELOPMENT PROJECT

REF: SEOUL 9463

1. PROJECT DESCRIPTION:

THE ROK-GOVERNMENT IS SEEKING TO OBTAIN A DOLLARS BETWEEN
5 MILLION TO 8 MILLION LOAN FROM THE WSIAN DEVELOPMENT BANK
(ADB) FOR THE EXPANSION AND UPGRADING OF FACILITIES AND EQUIPMENT
OF THE KOREA INSTITUTE OF GEOSCIENCE AND MINERALS. (KIGAM).

THE PROJECT INCLUDES THE PROCUREMENT OF MACHINERY AND EQUIPMENT FOR
GEOLOGICAL AND GEOPHYSICAL SURVEYS AND MINERALOGICAL STUDIES,
THE EXPANSION OF KIGAM'S EXISTING BUILDINGS AND CONSTRUCTION
OF NEW LABORATORY BUILDINGS AND THE TRAINING OF TECHNICAL
STAFF OF KIGAM.

2. IMPLEMENTING OFFICE:

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MR. LEE, DANG-HOON, DIRECTOR,

OFFICE OF PLANNING AND MANAGEMENT

KOREA INSTITUTE OF GEOSCIENCE AND MINERALS,

#219-5, KARIBONG-DONG, YOUNGDUNGPO-KU, SEOUL, KOREA

3. COST AND FINANCING:

A TENTATIVE AND ROUGH ESTIMATE OF THE TOTAL INVESTMENT REQUIRED

FOR THE PROJECT IS DOLLARS 12 MILLION, INCLUSIVE OF A FOREIGN EXCHANGE COMPONENT OF ABOUT DOLLARS 5 TO 8 MILLION WHICH IS PLANNED TO BE USED FOR THE PROCUREMENT OF SURVEY AND LABORATORY MACHINERY AND EQUIPMENT, EMPLOYMENT OF FOREIGN CONSULTANT SERVICES AND TRAINING OF KIGAM STAFF ABROAD. ROKG HAS NOT YET ARRANGED FINANCING, HOWEVER BOTH ECONOMIC PLANNING BOARD (EPB) AND KIGAM OFFICIALS HAVE INDICATED THAT THE FOREIGN CURRENCY PORTION WILL BE SOUGHT IN A LOAN FROM THE ADB.

4. EXPECTED BID DATES:

UNKNOWN, DTPENDS ON AVAILABILITY OF THE FOREIGN EXCHANGE FINANCING. EMBASSY UNDERSTANDS THAT ROKG MADE INQUIRIES TO AN ADB PROJECT IDENTIFICATION MISSION IN JULY 1977 RE POSSIBILITY OF INCLUDING THIS LOAN IN THE 1978 ADB PROJECT LIST FOR KOREA.

5. POTENTIAL U.S. SALES:

U.S. INVOLVEMENT COULD INCLUDE PROJECT CONSULTING SERVWCES AS WELL AS EQUIPMENT. DETAILED EQUIPMENT LIST HAS NOT BEEN MADE OUT YET. HOWEVERN EMBASSY UNDERSTANDS THAT THE KIGAM IS IN NEED OF VARIOUS EQUIPMENT FOR SURVEY AND RESEARCH IN THE FOLLOWING FIELDS: NUCLEAR RAW MATERIALS RESOURCES, MESOZOIC MINERAL RESOURCES, MINERAL RESOURCES, COAL RESOURCES, MARINE MINERAL SURVEY, MAPPING GEOLOGY, ENGINEERING GEOLOGY AND FUNDAMENTAL RESEARCH.

6. POST COMMENTS:

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THE PROJECT IS EXPECTED TO ENABLE KIGAM TO UNDERTAE A COMPREHENSIVE NATIONWIDE PROGRAM OF MINERAL SURVEYS AND EXPLORATION, IN THE EXPECTATION THAT SUBSEQUENT ACTIVITIES WILL LEAD TO THE DISCOVERY OF POTENTIAL MINERAL RESOURCES SUCH AS URANIUM, COPPER, LEAD, ZINC, IRON, TUNGSTEN, GOLD, SILVER ETC. KIGAM IS AN AUTONOMOUS JURIDICAL INSTITUTION ESTABLISHED IN MAY 1976 ORGANIZATIONALLY UNDER THE MINISTRY OF SCIENCE AND TECHNOLOGY (MOST), AND IS RESPONSIBLE FOR RESEARCH AND DEVELOPMENT OF MINERAL RESOURCES IN KOREA. KIGAM'S MAIN RESPONSIBILITIES INCLUDE THE FOLLOWING ACTIVITIES;

- A. REGIONAL GEOLOGICAL MAPPING;
 - B. REGIONAL GEOPHYSICAL SURVEYS;
 - C. COAL RESOURCES SURVEY AND MAPPING;
 - D. PETROLEUM RESOURCES SURVEY;
 - E. NON-FUEL MINERAL RESOURCES SURVEY;
 - F. COASTAL AND MARINE GEOLOGICAL AND GEOPHYSICAL SURVEYS; AND
 - G. RESEARCH AND DEVELOPMENT ON MINERAL PROCESSING.
- KIGAM OFFICIALS INDICATED THAT THERE WILL DEFINIATELY BE SEPARATE CONTRACTS FOR ENGINEERING CONSULTANT SERVICES AND EUIPMENT PROCUREMENT. KIGAM HAS AGREED WITH EPB THAT FOREIGN TECHNICAL EXPERTS (CONSULTANTS) SERVICES WOULD BE REQUIRED

ON THIS PROJECT. THE FOREIGN EXPERTS WHO ARE TO BE ENGAGED TO ASSIST IN THE IMPLEMENTATION OF THE PROJECT WOULD BE MOSTLY EXPERIENCED GEOLOGISTS AND GEOPHYSICISTS. THEY WOULD ASSIST IN DETAILED ENGINEERING DESIGN (EQUIPMENT LAYOUT) AND PREPARATION OF SPECIFICATIONS FOR EQUIPMENT TO BE PROCURED UNDER THE LOAN, AS WELL AS ASSIST AND ARRANGE FOR THE TRAINING LOCALLY AND ABROAD OF STAFF OF KIGAM IN VARIOUS FIELDS RELATED TO MINERALS SURVEY. EQUIPMENT PROCUREMENT IS EXPECTED TO BE TENDERED SEPARATELY AND CONTRACTS WOULD BE AWARDED ON THE BASIS OF INTERNATIONAL COMPETITIVE BIDDING. EMBASSY WILL FOLLOW THIS PROJECT CLOSELY FOR FURTHER DEVELOPMENTS. SNEIDER

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Decaption Note:
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Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment:
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Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
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